

# YUGOSLAVIA: YESTERDAY, TODAY AND TOMORROW

by

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(Editor's Note: *This article is based on a Research Report prepared by Colonel Forrester when he was a student at the US Army War College in 1971.*)



In a period of just over one year, President Nixon and President Tito of Yugoslavia have exchanged state visits. What events prompted this exchange? What is in store for Yugoslavia after the death of President Tito, and what policies can the United States adopt with respect to Yugoslavia to insure a continuation of cordial and cooperative relations between the two nations?

## BACKGROUND

Yugoslavia, while a Communist state, maintains a policy of nonalignment. The success of Yugoslavia's maintenance of this neutralist position in the competing world of East and West has been attributed largely to the personality and authority of Marshal Josip Broz Tito.

For three years following the establishment of the Republic of Yugoslavia under Tito's leadership it was a perfect model of the Soviet Union. Then, in June 1948, this model was

shattered by a COMINFORM communique expelling Yugoslavia from the Communist family. Tito was accused of many actions deviating from Communist doctrines, but actually the heart of the dispute "concerned who was to control Yugoslavia, Stalin or Tito."<sup>1</sup>

The break between the two countries was never healed. Tito turned for assistance to other sources, including the United States, and since that time has continued to pursue his own brand of communism. Yugoslavia has remained nonaligned in that she has never returned to the Soviet camp, nor has she openly sided with the West. Tito still continues to dominate the political scene, pursuing policies which he believes are in the best interests of Yugoslavia. His personality and strong will were responsible for the break with Moscow in 1948 and for holding the country on the path of nonalignment despite competition by East and West for his allegiance. His central role in the direction of modern Yugoslavia poses the major problem. Tito is 79 and is not immortal. What happens to Yugoslavia after Tito?

## YUGOSLAVIA TODAY

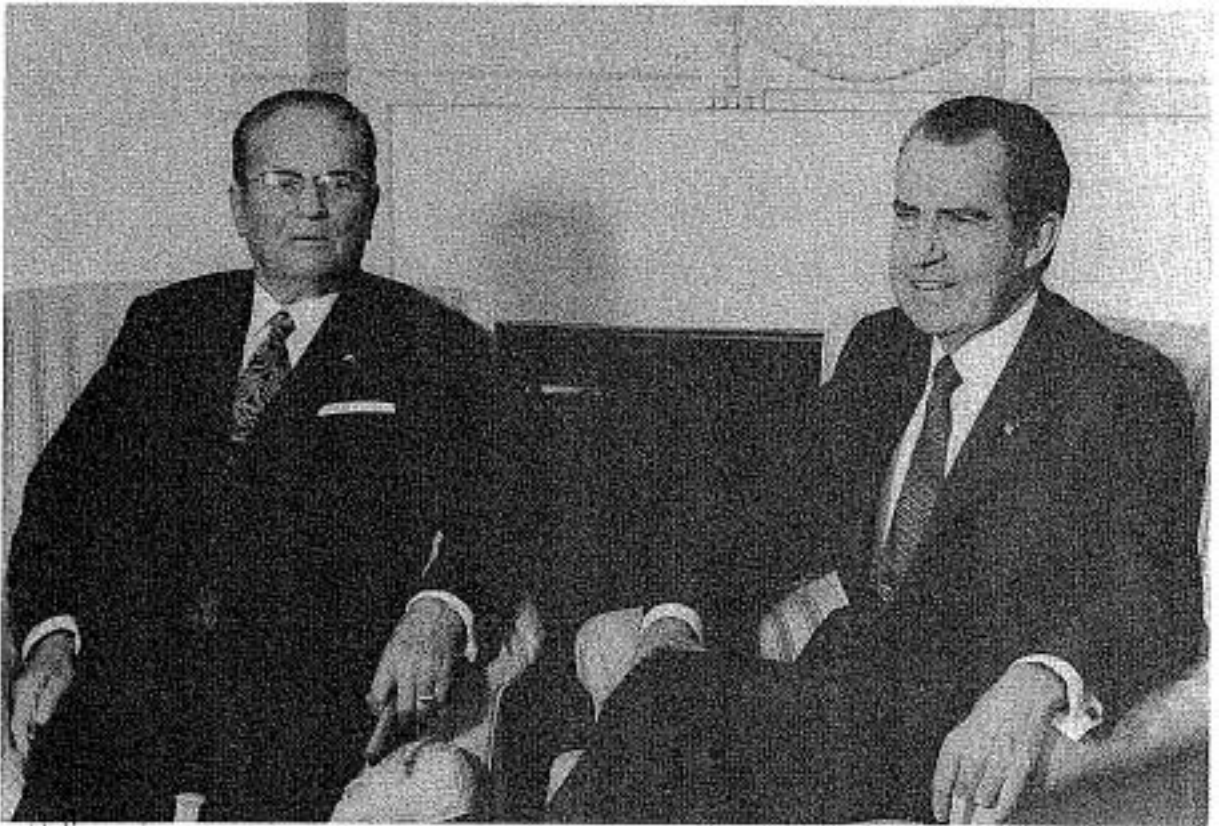
Yugoslavia in 1972 is far different from the nation that emerged after World War II. Many changes have been wrought, both politically and economically. Tito is still in command, but many of his policies more closely resemble those of a Western country than of a Communist nation. In order to see Tito's republic fully, one must examine closely the institutions, personalities, policies, and problems that make up this enigma of the modern world. A look at Yugoslavia today will provide a basis for a projection of Yugoslavia tomorrow.

**Government.** The government of Yugoslavia is set forth in the country's third

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*President Tito with President Nixon during President Tito's visit to the United States.*

constitution, which was adopted in 1963. This new constitution, designed to show the progress in decentralizing authority, maintained the six republics and two autonomous regions. To structure the government, it created the following agencies or offices: President, Vice President, Federal Assembly, Federal Executive Council, and a Constitutional Court. The President, elected by the federal deputies, may serve only two consecutive four-year terms. This does not apply to Tito who holds the office for life.<sup>2</sup> It has been indicated that the political system set forth in the 1963 constitution was extremely complicated, but the intent was to allow more participation by the people in all levels of government. The basic electoral system begins with the local communes, whose councils, consisting of two parts, are elected by all persons over age 21 and by all workers in state organizations. These councils merge with other communal councils to form

a constituency and elect representatives to the regional assemblies of the six republics and deputies to sit in the Federal Assembly.<sup>3</sup> The system thus results in a semblance of parliamentary democracy.

**The Party.** The Yugoslav Communist Party was formed in April 1919. Tito, who witnessed the Russian revolution as a prisoner of war, returned to his native Croatia as an avid Bolshevik and joined the local party in 1920. He subsequently became the General Secretary of the Party.<sup>4</sup>

Yugoslavia's wayward brand of communism had an independent character from the very beginning. Many of its members were young intellectuals who joined the party "out of protest and disillusionment at the conditions around them." They knew little of Marx's writings and did not belong to the working class. As a consequence, "they made Yugoslav communism far more independent in character than the communism of other

countries." The Party membership transcended regional boundaries or religions and gave the movement an "all-Yugoslav structure." The Communist organization in Yugoslavia today still maintains this all-encompassing character and represents the country as a whole, and not the individual regions or republics.<sup>5</sup>

In 1952, the Party was renamed the League of Communists of Yugoslavia. The new name did not change its influence in Yugoslav life, and most observers today agree that despite its internal divisions and difficulties, the Party remains in effective control of the government and country. Any relaxation of policies is done with the full cognizance of the Party. The League carries basically the same organization as most Communist parties. In an attempt to reduce the concentration of power, Tito proposed a collective rule for the party in 1969. The 154-member Central Committee would be replaced by a 300-member Party Conference which would meet annually. The existing Presidium, which was the policy making organ of the Party, was to be expanded to a membership of 52. The actual leadership of the Party would be vested in a 15-man Executive Bureau composed of equal representation from each republic and autonomous region. Tito would chair the group. The purpose of the reorganization was to insure Party unity.<sup>6</sup>

**The Military.** The Army is considered to be Yugoslavia's "most important unifying institution, next to Tito himself." The Army was criticized after the Czech crisis for its slow mobilization and its poor deployment. Emphasis was placed on bringing the military "back into the mainstream of political life." Officers who appeared to be pro-Soviet were removed and the role of the military was reassessed. Evidence of the modernization that is underway appeared as a 14 percent increase in the 1970 budget for defense expenditures.<sup>7</sup> Additionally, Yugoslavia has formed partisan units from other elements of the population and appears to be prepared to defend the country, should the Brezhnev Doctrine be applied as it was in Czechoslovakia. Beyond defense against outside aggression lies the fact that "most

observers, both domestic and foreign, feel that it would be up to the Army to act as chief guardian of the 'Yugoslav concept,' should bickering develop between the Communist leaders of the six republics after Tito leaves the scene."<sup>8</sup> The Army's popularity among the people may enable it to overcome regional differences if it ever has to preserve the "Yugoslav Concept."

**The Economy.** The status of Yugoslavia's economy may well influence the direction that a future government will take after Tito. Most of the political in-fighting was centered about the liberal trends evolving in the country and especially the competitive-style economy.

Looking briefly at the economy, one finds much change since the formation of the Republic. Starting out under a strict Soviet type of controlled economy, Yugoslavia was forced to abandon her early programs which were dependent on Soviet aid and capital. The United States and other Western countries provided assistance to help the Yugoslavs remain independent of Soviet control. In the early 1950's, purely Communist policies such as collectivization of agriculture were abandoned and experiments in workers' self management were undertaken. The country did not turn completely capitalist, as social ownership of capital goods was retained and the prime land remained in the hands of agricultural enterprises. The 1950's and 1960's saw continued economic growth and industrialization, coupled with more economic decentralization. Along with this change came balance of payments problems. In 1965, a program was started which changed the economy into a "market-type, Western-style" one. Emphasis was placed on consumption as opposed to investment. Resources were concentrated on competitive-type enterprises. Greater authority for investment was given to local banks, government levies were reduced, and direct dealings between Yugoslav and foreign enterprises was authorized. Tito's support for the reform quelled opposition within the higher ranks of the Party.<sup>9</sup>

We have in Yugoslavia today a unique form of socialism differing radically from Moscow's



state socialism. It replaces state ownership and control of production with workers' self management of each industry, competing among enterprises, and major reliance upon market forces in the domestic economy and foreign trade. Finding solutions to the problems of inflation, unemployment, and balance of payments deficits which accompanied the new economic orientation in Yugoslavia may well influence whether or not she returns to a strict Communist system after Tito.

**Policies.** The break with Moscow forced a change in policy on the Yugoslav Government. Reforms were necessary if

Yugoslavia was to survive outside the Soviet camp. The primary domestic policy cutting across the economic and political scene has been that of decentralization. The government began this decentralization in the early 1950's, and it continues today.

One of the initial reforms was the establishment of Workers' Councils to manage the factories. These still exist and function as a "board of directors" for the enterprise. They are elected by the other employees and "they set production quotas, decide on marketing techniques, hire and fire managers, and even raise—or on occasion, slash—their own salaries."<sup>10</sup> Every enterprise of more

than five employees is run by a Workers' Council and competes in the open market. In 1965, Tito stopped government subsidies of businesses and they now make money or they fold.<sup>11</sup>

Decentralization in the economic system was accompanied by similar change in the political system. More latitude was given the "people's committees" which had previously been "local instruments of the federal government in Belgrade." While the Party's role remained strong, there was a strengthening of the local organizations which eventually became the communes under the 1963 constitution.<sup>12</sup> Whether or not a Communist state ever decentralizes authority is a matter for debate. However, in the case of Yugoslavia's communes, a Western observer has stated:

They are recognized organs of government, not mere "front" organizations. They have their own sources of income. They exercise real power over enterprises and public services. Inspired by local pride and pressures, they have often used those powers unwisely, but the important political fact is that they have used them at all.<sup>13</sup>

The relaxed policies of the government are often punctuated by periods of toughness, but the tendency has been to grant more freedom and yield to the desires of the people. This is evident in Tito's conceding to student demands during the 1968 riots by promising "immediate and long-term reforms," and his quelling demonstrations by the Albanian minority "with promises of greater autonomy and more rapid economic betterment. . . ."<sup>14</sup>

Yugoslavia's foreign policy has had three dimensions since the break with Russia. Tito has looked toward the East, the West, and the nonaligned world. With respect to her eastern policy, relations with the Bloc countries appear to be relatively normal. She trades with the Eastern European countries, and their occasional denunciations of Yugoslav policies do not seem to alter relations to any

degree. Relations with the Soviet Union are a different matter. These fluctuate, ranging from friendly after Khrushchev's visit in 1955 to hostile after the Czech invasion. A. W. Palmer has aptly described this ambivalent relationship:

Relations between the Soviet Union and Yugoslavia since 1955 have shown all the breath-taking variations in temperament of a teenage romance. There have been reconciliations and gifts and rows and flirting with that Common Market boy next door and more reconciliations, more gifts, more angry words, and further covert glances across the garden fence; and so on.<sup>15</sup>

Brezhnev's recent visit was friendly and one might say that the flirting has started again.

US-Yugoslav relations began in earnest with economic assistance in 1948 to preclude Yugoslavia from slipping back under Soviet domination. Relations have remained relatively good between the two countries despite Tito's pronouncements against US policy in Vietnam, Cuba, and the Dominican Republic. While US economic assistance was stopped by Congress in 1967, trade has continued and Yugoslavia has been given most-favored-nations status by the United States. Additionally, Yugoslavia is the only Communist state with which the United States has an educational exchange agreement.<sup>16</sup>

The third direction of Yugoslav foreign policy concerns the nonaligned nations. Yugoslavia has attempted to establish relations with states which are not tied either to the Soviet Union or the United States. Tito has traveled extensively throughout the nonaligned nations and Yugoslavia has conducted trade with these nations. While she would like to tie her economy more strongly to this Third World where there are no US or USSR strings, she is forced to trade with the West and East, because the more developed nations can provide the capital goods which she needs and can absorb the products which she has to export. Despite the economic magnet drawing Yugoslavia to the developed

nations, she has maintained political contacts with the nonaligned states.<sup>17</sup>

**Problems.** While Yugoslavia appears to be well on its way to being the freest, most open and democratic of Communist states, this certainly does not mean the country will lack for problems. Tito has managed to keep these problems under control and move the country ahead, but a lesser individual might not be able to withstand the pressures of the Soviet Union, conflict among the republics, and the myriad of economic problems facing the small nation.

One of the most persistent problems in Yugoslavia is that of holding six republics and two autonomous regions together as a viable state. The different groupings of nationalities have posed problems since the beginning of time. Ever since the founding of the Republic, Tito has had to balance his policies cautiously to satisfy the diverse elements of the six republics.

Historically, the Slovenes and Croats have opposed domination by Serbia. Relations between these Yugoslav Republics have not eased over the years. Additionally, resentment has grown in the northern republics over the requirement for them to help finance the development of the more backward areas of the country. Tito alone has been the force which kept "these internal tensions from fragmenting the nation."<sup>18</sup>

Other problems facing Yugoslavia are economic in nature. Growing inflation forced the government to impose a six-month price freeze, the legislature is grappling with the problem of budgetary deficits, and a solution to increasing balance of payments deficits must be found. The students are complaining "that Yugoslavia is reverting to a class system, with Communist Party officials at the top and workers at the bottom."<sup>19</sup>

In the area of foreign relations, Yugoslavia faces additional dilemmas. Fear exists that the Brezhnev Doctrine could at any moment be applied to Yugoslavia, and for this reason Tito must look to the United States more than he would like. At the same time, suspicion about the motives of the United States and the Soviet Union is generated by the SALT talks, as Tito recalls World War II proposals which,

whatever their intention, have come to stand for superpowers disposing of the interests of smaller countries. Additionally, the problem of buying modern aircraft, anti-tank and anti-aircraft guns, and other military equipment for the defense of the country without becoming heavily dependent on any single source of supply and without overstraining Yugoslavia's limited resources, is still another in the long list of worries facing the aging marshal.<sup>20</sup>

## TRENDS

It would seem that two decades of experimenting and changing systems would present a fairly stable system for projecting the future of Yugoslavia. However, such is not the case, and Yugoslavia's future appears to remain, if anything, more elusive than ever. Nevertheless, several noticeable trends can be seen in Yugoslav political and economic life which perhaps point to the future after Tito. These are the continued decentralization of political and economic authority; retention of federal primacy in national defense, foreign affairs, and the unified national market; formal nonalignment as the basis for a balanced increase in exchanges both with Western countries and Eastern Europe and developing countries; and a persistent problem with reconciling the Yugoslav national interest with the competing claims of nationalism in the constituent republics. All of these trends are apparent from reports coming out of Yugoslavia.

The 1963 constitution delegated broad powers to the individual republics. Indications that even further decentralization of power is being considered, or is at least desired, was evidenced in a move introduced at a recent Party conference in which each of the six republics would be given "complete equality and near total autonomy."<sup>21</sup> Also, a push toward increased decentralization came in the form of Tito's recent announcement that he would be succeeded by a collective body. This parallels the Party collective leadership in the form of the Executive Bureau which Tito established in 1969. The new proposal visualizes bringing in two or three of the

"most influential leaders of each republic to participate in the federal decision-making process." It was further proposed that the collective body be headed by a different chairman each year, thus "giving each of the six Yugoslav republics a turn at having its man in the top job."<sup>22</sup> Such a move has two effects. It guarantees continued decentralized or local government by hedging against an authoritarian successor who would recentralize control, and it damps republic nationalism which could result in a fragmented Yugoslavia after Tito.

Recent economic problems such as inflation have required the imposition of some government controls, but there appears to be no evidence that decentralization in the economic area will not continue. When Mitja Ribicic was elected President of the Federal Executive Council in 1969, he outlined, in a speech to the Federal Assembly, plans for drafting a new economic plan which would "employ self-management techniques 'to the greatest degree possible.'"<sup>23</sup> The Presidium of the League of Communists also adopted a resolution in late 1969 which "called for adherence to the market economy and increased worker participation in running the enterprises."<sup>24</sup> Periodicals are full of examples of increased consumer spending, individual actions by enterprises to increase income, and workers' demands similar to those one would expect in a capitalist country.

Evidence of increased freedom for the citizens of Yugoslavia also abounds in news reports coming out of the country. Typical reports showing the unregulated life of the average citizen are those such as the story of the Belgrade driver who received a number of parking tickets and was let off with a fine. He also received no penalty for changing apartments and failing to report his new address. Farmers may now reacquire up to 25 acres of private land, people are permitted to own more than one house, and workers can strike without fear of recrimination or "switch jobs with ease and frequency."<sup>25</sup>

The freedom granted the press in recent months extends the trend toward liberalization. The press has now been

incorporated into the "market-type" system, as were the other enterprises. Censorship is in the hands of the newspapermen themselves, and the fact that they are part of the self-management socialist system of Yugoslavia seems to be enough control. New magazines are springing up all over the country, ranging from news magazines patterned after those of the United States to Yugoslav facsimiles of *Playboy*. In most cases, circulation of the new publications is outstripping older papers such as "*Borba*—the proud standard bearer of old Yugoslav Communists and former wartime partisans. . . ."<sup>26</sup>

The goal of Yugoslav foreign policy was and still is the pursuit of nonalignment. However, Tito has been forced by the need for economic and security assistance to look to the Communist as well as the Free World states. Though hard to discern, manifestations of a "leaning" toward the United States and the West have been gradually appearing in recent years. Current trade patterns reinforce the trend toward increasing dependency on the Western nations, since the trade ratio is approximately 60 percent with Western countries, 30 percent with the East, and 10 percent with the nonaligned nations.<sup>27</sup> Another recent overt indicator of a possible changing US-Yugoslav relationship was the reception accorded Mr. Nixon on his visit to Tito's Republic. While standing fast on his policy of nonalignment for Yugoslavia, Tito turned out the entire nation to greet the US President and made several personal friendly overtures during the visit. The Yugoslavs definitely hoped that the visit would promote trade and bring in much needed US investment.<sup>28</sup> Tito and Nixon repledged their friendship and that of the two countries during Tito's visit to the United States in 1971.

The trend of increasing nationalism by the republics is really one of overt expression, since nationalism in the republics is not new. The decentralization of authority in both political and economic matters has revived age-old animosities. Accusations of chauvinism are rampant. Croatia and Slovenia have recently asserted more regional identity,



and with the large amount of local control provided by decentralization are cooperating with Austria and Italy in many fields, to include the hiring of Austrian workers and the establishment of factories across the border in Austria.<sup>29</sup> There are arguments over the richer republics being required to help finance the development of the poorer ones, and there is talk of establishing a Croatian division in the Army. The strange phenomenon is that the move for more independence and identity is not the work of "radical separatists" but of the local Communist party.<sup>30</sup> The same is true of Serbia, which is competing for more Western investment. These economic rivalries, coupled with former antagonisms between Catholic Croatia and Orthodox Serbia, when added to the widening gap between the richer and poorer republics, seriously hampered the adoption of a national five-year plan.<sup>31</sup>

#### WHAT DOES IT MEAN?

Basically, the trends appear to be taking Yugoslavia further and further from a return to orthodox communism. Decentralization appears to be the driving factor in determining Yugoslavia's future. This, combined with the trend toward liberalization or increased personal freedom, argues against the Yugoslavs returning voluntarily to a strict Communist system. The local parties are the staunchest advocates for more autonomy and there has been an erosion of national party power.

A more Westward-leaning policy is most likely the result of Yugoslavia viewing her interests pragmatically. With continued demands for more consumer goods, higher wages, and more voice in the government, it is highly unlikely that the Soviet Union would take economic steps to perpetuate such a system. To allay Russian fears of excessive revisionism and preclude application of the Brezhnev Doctrine, the Yugoslavs continue to emphasize that their system is and will remain a socialist one compatible with basic Marxism. If Brezhnev's pronouncements during his recent visit to Belgrade hold any truth, then perhaps the Yugoslavs have been successful in convincing him that there are other roads

besides Moscow's. Nevertheless, Yugoslavia continues to strengthen her armed forces and organize her population for resistance. As she seeks solutions to her many economic, political, and security problems, she sees the West, and particularly the United States, as a counter to the Soviet Union.

While decentralization has brought an increase of chauvinism or nationalism in the republics, economic prosperity fosters cooperation. Most observers believe that the republics recognize the strength they have as a unified body. Fragmentation of Yugoslavia threatens each individual republic. For example, without unification and the protection of the central government under Tito, Macedonia might long ago have fallen to Bulgaria. While all are vocal in their arguments with each other, the following description of Croatia by Dan Morgan would appear to apply to each of the six republics.

There is no sign that the four million Croats, who make up a fifth of the country's population and live in one of the country's most wealthy and developed republics, could or would break away. If nothing else, the presence of Soviet tanks prowling on the nearby Hungarian border is a guarantee against that.<sup>32</sup>

#### TOMORROW

The foregoing examination of modern Yugoslavia's evolution and the trends which may influence her future course in international politics provides the basis for certain speculations. For instance, who are the likely successors to Tito? Such names as Rankovic, Kardelj, and Djilas come to mind immediately. Observers of the Yugoslav scene tend to discount them, however. Rankovic was ousted as Vice President for advocating a return to more conservative policies; and it seems unlikely that the Yugoslav people, having tasted relative freedom, would provide support to one who would return them to the days of strong centralized control. Edvard Kardelj, a former Partisan and long-time associate of Tito's, could possibly be in line;

but as one author indicates, "he has never won great popularity," still appears to the public as "a schoolmaster and philosopher rather than a dynamic leader, and as a Slovene he is a member of a small nationality."<sup>33</sup>

Milovan Djilas, the controversial writer and once close associate of Marshal Tito, would come closest to being a charismatic leader. While no Yugoslav citizen wants to concede that Djilas has a chance and Djilas claims no interest in the job, he nevertheless stands as a possibility should one-man rule continue after Tito's death.<sup>34</sup> No one seems willing to hazard a guess; discussions with recent visitors to Yugoslavia indicate a feeling that all of these contenders are too old and that if there is in fact a successor, he will be a younger man rather than one of the old partisans.

Further speculation centers around the fragmenting of Yugoslavia after Tito's death. Again, regular observers tend to discount this possibility on the basis that economic cooperation will keep the republics together. Should this not be the case and the republics try to go it alone, what could be expected from the Soviet Union and the United States? The scenario could take several patterns. The Soviet Union could recognize them as individual states and do nothing (a course which seems highly unlikely), she could wait to be invited in by one of the republics to reestablish a unified Yugoslavia, or she could pick them off one by one through application of the Brezhnev Doctrine. Her actions would most likely be conditioned by the international environment existing at the time. It would seem reasonable to guess that with the current mood of the American people concerning the Vietnam War and US foreign involvement in general, the United States would do little more than offer material and economic aid on a bilateral basis.

What, then, can be said about Yugoslavia's future? While no conclusions can be drawn with finality, the evidence, admittedly tenuous, points to the following projections.

Some type of collective presidency such as that proposed by Marshal Tito will be the most likely form of government, since there appears to be no strong, charismatic leader who could gain the support and backing of all

of Yugoslavia's diverse nationalities. The degree of orderliness in the succession of power will depend to a great degree on how much Tito has been able to organize such a group and transfer his authority prior to his death.

The market-type economy will be continued, with only those central controls necessary to insure control of inflation and continued economic growth.

The republics are not likely to split and go their separate ways, as they recognize that their political and economic strength lies in unity. One nationality may emerge as the leader, however, and play a large part in setting policy for the group.

Yugoslavia will continue her own path of nonalignment, but it will probably be a "pro-Western" nonalignment for economic and security reasons.

#### UNITED STATES ACTIONS

The United States has benefited in the past from Tito's policy of nonalignment, and a similar policy on the part of the post-Tito government is of continuing interest to US policy makers. William Buckley covered only one of the reasons when he said:

... True that America's policy of encouraging Titoism in Yugoslavia has served us. Served us, as beneficiaries of an East Europe showcase of the relative advantages of relative freedom—a fox in the bosom of Soviet ideology.<sup>35</sup>

There are other reasons why the continued nonalignment of Yugoslavia is beneficial to the United States. The rapport which Yugoslavia has developed with the nations of the Third World through her aid and development programs places her in a position to greatly assist the United States in dealing with these countries. Additionally, one has only to look at the map to recognize the strategic importance of Yugoslavia. Her seaports along the Adriatic coast highlight the importance of a neutral Yugoslavia to the southern flank of NATO. Current outcries for reduction of US forces abroad make a

continuation of Yugoslav nonalignment essential to the United States' interest in keeping a strong and viable security arrangement in Europe.

In order to derive the benefits of a neutral or pro-Western Yugoslavia, the United States must pursue an active policy aimed at helping Yugoslavia maintain her independence. The recent exchange of Presidential visits was a big step toward more firmly cementing relations with this important Balkan country. However, more is required. A significant change in current Yugoslav policy is unlikely as long as Tito lives. Additionally, the state of Yugoslav economy will influence how smooth the succession of power will be, and what remains will depend largely on what Tito leaves when he departs the scene. In view of this, the United States should consider the following with regard to Yugoslavia: (a) take steps to remove congressional blocks to United States policies toward Yugoslavia; (b) shore up the Yugoslav economy with definite steps to reduce balance of payments deficits and assist in curbing inflation; (c) improve the defense establishment of Yugoslavia without antagonizing the Soviet Union; (d) make overt diplomatic efforts to insure that the Yugoslav regime knows that the SALT talks are not an attempt to divide Yugoslavia among the great powers; (e) espouse United States support for continued neutrality or nonalignment as a proper policy for Yugoslavia.

Perhaps at a later time, the United States could seek bilateral agreements with the Republic of Yugoslavia. Regardless of whether that stage of relations is ever reached, it behooves the United States to initiate positive policies toward Yugoslavia as soon as possible, for that country will continue to play an important role in the political battle between East and West both before and after the death of Tito.

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*St. Stevan near Budva, an historic island community in Dubrovnik, Yugoslavia, which has been entirely transformed into one large holiday hotel.*